FOR SYSTEMS WITH FEWER THAN 1,000 SUBSCRIBERS

NAME OF OPERATOR	AVERAGE SUBS.	AVERAGE HOMES PASSED PER MILE	AVERAGE MILES PLANT	AVERAGE ACTIVATED CHANNELS	AVERAGE SUBS. PER MILE
Douglas Comm. Corp. II	191	40	8	16	24
Galaxy Cablevision	396	37	19	28	20
MW1/USA Cable Systems, Inc.	84	29	7	21	12
Vantage Cable Associates, L.P.	221	45	7.23	21	30
Triax Comm. Corp.	364	39	15	22	25
Buford Television, Inc.	322	24	29	24	11
Classic Cable	331	51	10	25	39
Midcontinent Media, Inc.	240	57	5.85	16	41
Star Cable Associates	429	28	32	26	13.4
Leonard Comm., Inc.	252	40	9.6	19.9	26
Phoenix Cable, Inc.	313	24.4	24.6	18	12.7
Harman Cable Communications	410	47	8.8	21	46.9
ACI Management, Inc.	426	21.3	42.3	25	10
Frederick Cablevision, Inc.	511	33.5	22.3	40	32.9
Fanch Communications, Inc./Mission Cable Co., L.P.	462	40.44	10.64	28	24.1
MidAmerican Cablesystems Limited Partnership	150	49	6.2	19.4	24.2
Rigel Communications, Inc.	275	15	5	18	10.5
Horizon Cablevision, Inc.	507	34	26	32	20
Community Communications Co.	217	27.2	20.2	15	17
Balkin Cable	550	49	22	37	25

EXHIBIT C

DECLARATION

I, Calvin G. Craib hereby declare under penalty of perjury that the following is true and correct to the best of my knowledge, information and belief:

1. Douglas Cable Communications, L.P. operates cable systems in 323 franchise areas which serve approximately 60,100 subscribers in 5 states. The average Douglas system serves 204 subscribers. In 1993, Douglas and other small system operators were particularly hard hit by 1992 Cable Act requirements. For example, Douglas had to identify all television broadcast stations with must-carry rights on its 295 headends and send the required notices to the stations with respect to channel line-ups, signal quality deficiencies and copyrights liability. Douglas sent in excess of 500 such notices in 1993.

2. For the calendar year 1993, Douglas Cable Communications, L.P. experienced increases in total operating expenses of 3.8 percent compared with the same total operating expenses in 1992. The 3.8 percent increase reflects only increases in operating expenses, and does not include capital expenditures (such as headend costs associated with adding must-carry channels or the acquisition of new vehicles required to satisfy the Commission's new customer service guidelines). Many of the increases in operating costs in 1993 related to the provision of basic cable service and were essentially nondiiary. Even though Douglas had little choice but to make those expenditures, as a result of the rate freeze it could not increase rates to cover the increases. some of these specific increases are provided as examples below.

3. Basic programming expenses were 11.9 percent higher in 1993 than 1992. This increase is attributable to increases in programming rates and costs of providing new

basic programming options to subscribers. We emphasize that this cost increase does not reflect the addition of any must-carry broadcast stations to Douglas' channel tine-ups, as the expenses associated with adding television stations are capital expenditures. Compensation and benefits for Douglas employees rose 6.1 percent from 1992 to 1993. The expenses included in "compensationand benefits" include salaries, bonuses, overtime charges, contract labor charges, health insurance and other benefits available to Douglas employees. Expenses redating to professional services (e.g. legal and accounting) increased by 51.5 percent in 1993. Much of this increase is a direct result of the complexities of the 1992 Cable Ad. Douglas has had to rely extensively on legal counsel for advice concerning compliance with the 1992 Cable Ad. In addition, Douglas has had to use accountants to assist with rate regulation analyses. Property taxes for Douglas increased by 4.8 percent in 1993. Pole rentals increased by 8.7 percent in 1993. The cost to operate vehides increased by 13.5 percent in 1993.

4. Due to the rate freeze in place since April, 1993 Douglas has not increased rates for basic service in some systems since June, 1992. Of the 60,100 Douglas customers, 20% have not had a basic rate increase since June, 1992, an additional 22% have not had an increase since July, 1992, and 23% more have not had 8 basic fate increase since August, 1992. It has been more than 15 months since the last basic rate increase for more than 74% of the Douglas customers. Therefore, Douglas has not had any flexibility to pass through any of the 3.8% increase in operating expenses in 1993, or even much of the 3.9% increase in operating expenses experienced in 1992, to subscribers.

Calvin G. Craib
Vice President
Douglas Cable Communications, Inc.
Managing General Partner of
Douglas Cable Communications, L.P.

EXHIBIT D

DECLARATION

I, Alan Baird, hereby declare that the following is true and correct to the best of my knowledge, information and belief:

1. Horizon Cablevision I Limited Partnership operates 16 cable systems serving approximately 24,925 subscribers in 82 communities in Michigan.

2. Horizon made substantial expenditures during 1993 that it has not been able to recover from subscribers due to the freeze on rates for regulated service that has been in effect since April 1993. In addition to cost increases attributable to inflation and other routine marginal increases. Horizon experienced extraordinary cost increases in 1993. These were results of changes required by the 1992 Cable Act.

3. In 1993, the cost of bringing Horizon into compliance with the FCC's new customer service standards was $263,000. Specifically, Horizon spent $42,000 on a new telephone system to enable Horizon to meet the telephone response guidelines adopted by the FCC. Horizon spent $88,000 on technical staff to meet the four-hour appointment window requirement for repairs and installations and the new bi-annual technical testing procedures. This represents an 18 percent increase from 1992 expenditures on technical staff. In addition, Horizon spent $77,500 on technical equipment to comply with bi-annual technical testing procedures, a 288 percent increase over testing equipment expenditures in 1992. Horizon was required to hire new CSR's to comply with the telephone response requirements at a cost of $20,500 which represents a 24 percent increase. Horizon spent $35,000 on customer communication, which includes for example 30-day notices to subscribers of changes in channel line-ups and notifications regarding rates and rate changes.

4. Horizon spent approximately $25,000 to comply with must-carry requirements imposed by the 1992 Cable Act. This expenditure includes, for example, headend equipment necessary to add broadcast channels and the preparation and mailing of notifications to broadcast stations.

5. Horizon also incurred substantial costs in 1993 as a result of its efforts to comprehend and comply with the new regulatory requirements. In 1993, Horizon spent $65,000 in professional fees. This represents an increase of 433 percent over expenditures for professional services in 1992. This substantial increase reflects Horizon's reliance on attorneys and accountants to assist with its effort to comply with 1992 Cable Act requirements. Horizon also spent $6,500 on increased staff to assist with regulatory compliance efforts and approximately $50,000 of existing staff time was spent on new regulatory compliance efforts. The total for just theses three items relating to regulatory compliance accounts for $121,500 in expenses in 1993.

6. Horizon also experienced increases in programming costs in 1993. The overall increase in programming costs in 1993 was $66,000. This includes increases in the cost of satellite and a la carte programming.

7. The total increases in 1993 for just these enumerated items was $475,500. This amounts to approximately $19.90 per subscriber (based on Horizon's average number of subscribers in 1993, **23,888),** or $1.66 per subscriber per month.

8. In addition to these itemized cost increases, Horizon experienced an overall increase in operating costs of 25 percent in 1993 over 1992. Of this increase, approximately half was attributable to regulatory burdens imposed by the 1992 Cable Act.

Alan Baird

Dated: 2/3/94

EXHIBIT E

DECLARATION

I, Patricia W. Hasbrouck, hereby declare under penalty of perjury that the following is true and correct to the best of my knowledge, information and belief:

1. **ACI** Management operates 46 systems which serve approximately 28,000 subscribers in over 100 communities in 8 states. For the calendar year 1993, all of **ACI's** systems experienced increases in operating expenses over 1992.

2. As a specific example, **ACI** operates cable systems in the state of Arkansas serving 12 community units which average 260 subscribers per community. The operating expenses for these systems increased a total of 8.7% for 1993. Basic programming costs increased 37.5% as a result of increases in programming rates as well as the addition of new programming services to subscribers. This cost increase does not'include the equipment cost to add the new channels as those costs are considered capital expenditures.

3. Personnel costs are one of the largest categories of expense and comprise approximately 30% of total operating expenses. This category increased 8.9% in 1993. Utility costs increased 13.5%.

4. The Arkansas systems have not had an increase in rates in 16 months. Due to the rate freeze imposed by the FCC, the rate increase scheduled for the 4th quarter of 1993 was not instituted. ACI has not had any ability to pass through any of the 8.7% increase in operating expenses that was experienced in 1993. In addition, we cannot provide additional services to our subscribers without the ability to recover the cost to do so.

Patricia W. Hasbrouck

Patricia W. Hasbrouck
ACI Management, Inc.

EXHIBIT F

DECLARATION

I, Michael R. Haislip, hereby declare under penalty of perjury that the following is true and correct to the best of my knowledge, information and belief.

1. Star Cable Associates operates 54 systems which serve approximately 69,633 subscribers in 6 states. The average Star system serves 1 ,156 subscribers. In 1993, Star and other small system operators were particularly hard hi by 1992 Cable Act requirements. For example, Star had to identify all television broadcast stations with must-carry rights on its 54 headends and send the required notices to the stations with respect to channel line-ups, signal quality deficiencies and copyright liability. Star sent approximately 500 such notices in 1993.

2. For the calendar year 1993, Star experienced increases in total operating expenses of 4.64 percent compared with the same total operating expenses in 1992. The 4.64 percent increase reflects only increases in operating expenses, and does not include increases in capital expenses. Star had capital expenses exceeding $110,000 to comply with must-carry requirements. Many of the increases in operating costs in 1993 related to the provision of basic cable service and were essentially non-discretionary. Even though Star had little choice but to make these expenditures, as a result of the rate freeze it could not increase rates to cover the increases. Some of these specific increases are provided as examples below.

3. Basic programming expenses were 7.7 percent higher in 1993 than 1992. This increase is attributable to increases in programming rates and costs of providing new basic programming options to subscribers. We emphasize that this cost increase does not reflect the addition of any must-carry broadcast stations to Star's channel line-ups, as the expenses associated with adding television stations are capital expenditures. Compensation and benefits for Star employees rose an average 7.5 percent (5 percent and 10 percent, respectively) from 1992 to 1993. The expenses included in "compensation and benefits" include salaries, bonuses, overtime charges,

contract labor charges, health insurance and other benefits available to Star employees. Expenses relating to professional services (e.g. legal and accounting) increased by 174.0 percent in 1993. Much of this increase is a direct result of the complexities of the 1992 Cable Act. Star has had to rely extensively on legal counsel for advice concerning compliance with the 1992 Cable Act. In addition, Star has had to *use* accountants to assist with rate regulation analyses. The cost to operate vehicles increased by 3.4 percentin1993.

4. **Star has not increased rates for basic services for at least 1 year.** Pate increases were scheduled to go into effect after the first quarter of 1993. However, due to the rate freeze imposed by the FCC, none of the scheduled rate increases was permitted to go into effect. Therefore, Star has not had any flexibility to pass through any of the 4.94 percent increase in operating expenses in 1993 to subscribers.

Michael R. Haislip
Michael R. Haislip
Executive Vi President and
Chief Operating Officer
Star Cable Associates

COMMONWEALTH OF PENNSYLVANIA

COUNTY OF ALLEGHENY

The above De&ration was signed and subscribed before me this 3rd day of February 1994.

Nancy M. Olshefski
Notary Public

Notarial Seal
Nancy M. Olshefski, Notary Public
Green Tree Boro, Allegheny County
My Commission Expires April 21, 1997
Member, Pennsylvania Association of Notaries

EXHIBIT G

Small Cable-TV Operators Face an Uncertain Future

Federal Regulation, Big Competitors Scare Off Investors, Lenders

By MICHAEL SELZ
Staff Reporter of THE WALL STREET JOURNAL.

Many small cable-television companies are in danger of becoming the information superhighway's first road kills.

These operators say they must spend heavily on sophisticated new technology in order to compete with cable and telephone giants. Those huge companies plan fiber-optic networks capable of delivering movies on demand, video telephone service and interactive games.

"All small operators are concerned about [surviving] the convergence of telephone and cable," says David Kinley, president of Sun Country Cable Inc., a Pleasanton, Calif., system with 10,000 subscribers.

But just as they feel mounting pressures to upgrade their mostly rural systems, small cable operators say that unfavorable federal regulation has frightened off investors and lenders. They say an eight-month-old rate freeze has further crimped their cash flow. Last Friday, the 266 members of the new Small Cable Business Association filed an emergency petition seeking relief from the Federal Communications Commission's rate freeze.

Small cable companies "are in limbo," says Stephen Effros, president of Cable Telecommunications Association, a Fairfax, Va., trade group. "These folks are faced with substantial new competition, no way to get capital to improve their systems and serious regulatory delays."

Hurting New Investment

The regulatory climate "has stymied new investment," adds Paul Growald, general partner of Small Cities Cable Television L.P., a Shelburne, Vt., operator of two small systems with a total of 5,400 subscribers. Mr. Growald says his investors aren't interested in putting up more money at the moment. For now, he adds, expansion plans of most small cable companies like his are "virtually dead."

Some small cable-system owners are giving up entirely. Gordon Sitton, president of Advanced Media Communications Inc. in San Antonio, says he unsuccessfully tried for more than a year to raise $200.000 in order to enhance his pay-per-view service. The 500-subscriber system was ripe for expansion, with the potential to grow to 6,000 subscribers, Mr. Sitton says. The system served an affluent community, where homes fetch between $500,000 and $1 million each and residents would probably buy premium cable services.

But Mr. Sitton says investors and lenders were unwilling to fund the expansion plan because of a pending revision of federal law governing small cable systems. He says that problem and other financial frustrations prompted him to sell Advanced Media's four small cable systems last month to KBLCOM Inc.. a big cable operator owned by Houston Industries Inc.

'It was a really lousy environment to be in and I'm glad we got out when we did." Mr Sitton adds. He declines to disclose the sales price for the systems.

Small-System Sales Boom

"I've never seen so many small operators wanting to sell," observes Pal Thompson, a vice president at Daniels & Associates, a Denver cable-system broker. She says she has arranged the sale of nine small cable systems so far this year, as many as she sold in the previous two years combined.

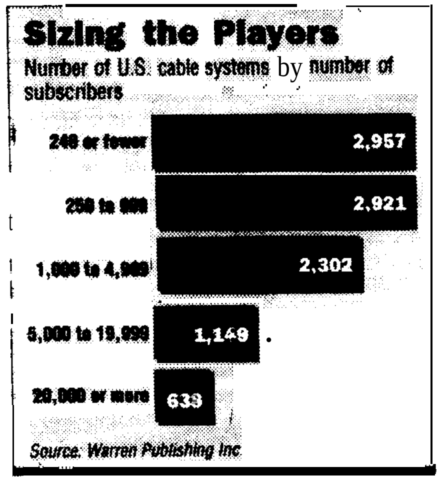
There are many small operators with 500 to 2,000 subscribers "who don't know where they fit in anymore," Ms. Thompson continues. "They don't see many chances to borrow money, add services and increase revenues."

But other small cable operators want to stay in the business, and they are pressing their case vigorously with the FCC. If its rate-freeze relief petition fails, the Small Cable Business Association says it will intensify other FCC lobbying efforts.

The commission has extended the cable-rate freeze twice; the latest freeze expires Feb. 15. The agency froze rates so it could write rules for the 1992 Cable Act and give local authorities and consumers enough time to understand those rules. The Cable Act will regulate cable-TV rates until effective competition develops.

Small cable operators also are lobbying for less stringent federal regulation of their businesses. Last July, about 150 such operators traveled to Washington to lobby for regulatory reforms. They say they won support from 200 members of Congress.

In August, the FCC suspended the 500 pages of rules regulating systems with 1,000 or fewer subscribers while it revises regulation of these small operators. These systems reach 2.1 million households, or 3.5% of all U.S. homes wired for cable-TV.



Simpler Procedures Sought

Among other things, small cable operators say the FCC should simplify procedures for approving rate boosts and let the operators pass along construction costs to subscribers. Small operators say such measures are needed because they must bear higher costs than bigger rivals.

Small cable concerns say they don't get the same volume discounts that large cable operators do in purchasing programming. These smaller players say they also must charge more for programming because they spread such costs over a small subscriber base. In addition, they say their smaller subscriber base keeps them from attracting much advertising – one source of unregulated revenue that gives large cable operators greater financial flexibility.

Patrick Donovan, an FCC acting deputy chief of cable services says, 'We're interested in small-system issues and are actively considering them."

Cable-industry critic Bradley Stillman a legislative counsel at the Consumer Federation of America, agrees that "there's room to take care of the needs of legitimate small businesses." But he questions how dire conditions are for many operators of smaller cable systems, especially those owned by mammoth multisystem operators such as Tele-Communications Inc.

"Before the rate freeze was put into effect, [small operators] were permitted to charge whatever they wanted," Mr. Stillman says. "We have to assume they were charging enough to make a profit and improve their systems." Many selling systems strategically important to big operators are making a hefty profit on the deals too.

But small operators such as Ellen Belisle, who owns 13 cable systems with a total of 7,000 subscribers in Indiana and South Carolina, says that her affiliate fees and other costs have risen during the Iii months that her rates have remained the same. Those higher costs plus a financing shortage forced her to delay a summer expansion plan that would have increased one system's subscriber base by a third That system now reaches 325 households.

The notion of raising another $500,000 to upgrade her systems with fiber-optic wire, and thus join the information superhighway, strikes Ms. Belisle as a pipe dream. "We will not be in a position to compete," she says. "Funding available to my larger competitors to buy technology is simply not available to me."

CERTIFICATE OF SERVICE

I, the undersigned, do hereby certify that a copy of the foregoing Petition for Emergency Relief for Extension of Rate Freeze was delivered by hand this 4th day of February 1994, to the following:

Reed E. Hundt, Chairman
Federal Communications Commission
1919 M Street N. W. - Room 814
Washington, D. C. 20554

Commissioner James H. Quello
Federal Communications Commission
1919 M Street N.W. - Room 802
Washington, D. C. 20554

Commissioner Andrew C. Barrett
Federal Communications Commission
1919 M Street N. W. - Room 826
Washington, D. C. 20554

Alexandra Wilson, Chief
Cable Services Bureau
2033 M Street N.W. - Room 918
Washington, D. C. 20554

Jacqueline S. Cleary

\\\DC\62354\0001\PL003201.DOC